



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R03-OAR-2017-0738; FRL-9978-57-Region 3]

Approval and Promulgation of Air Quality Implementation Plans; Virginia; Emissions Statement Rule Certification for the 2008 Ozone National Ambient Air Quality Standard

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is approving a state implementation plan (SIP) revision formally submitted by the Commonwealth of Virginia (Virginia or the Commonwealth). Under the Clean Air Act (CAA), states' SIPs must require stationary sources in ozone nonattainment areas classified as marginal or above to report annual emissions of nitrogen oxides (NO_x) and volatile organic compounds (VOC). This emissions statement requirement also applies to stationary sources located in the Ozone Transport Region (OTR) that emit or have the potential to emit at least 50 tons per year (tpy) of VOC or 100 tpy of NO_x. The SIP revision provides Virginia's certification that its existing emissions statement program satisfies the emissions statement requirements of the CAA for the 2008 ozone National Ambient Air Quality Standards (NAAQS). EPA is approving Virginia's emissions statement program certification for the 2008 ozone NAAQS as a SIP revision in accordance with the requirements of the CAA.

DATES: This final rule is effective on **[insert date 30 days after date of publication in the Federal Register]**.

ADDRESSES: EPA has established a docket for this action under Docket ID Number EPA-R03-OAR-2017-0738. All documents in the docket are listed on the <https://www.regulations.gov> website. Although listed in the index, some information is not publicly available, e.g., confidential business information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available through <https://www.regulations.gov>, or please contact the person identified in the “For Further Information Contact” section for additional availability information.

FOR FURTHER INFORMATION CONTACT: Sara Calcinore, (215) 814 2043, or by e-mail at calcinore.sara@epa.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Under the CAA, EPA establishes NAAQS for criteria pollutants in order to protect human health and the environment. In response to scientific evidence linking ozone exposure to adverse health effects, EPA promulgated the first ozone NAAQS, the 0.12 part per million (ppm) 1-hour ozone NAAQS, in 1979. *See* 44 FR 8202 (February 8, 1979). The CAA requires EPA to review and reevaluate the NAAQS every 5 years in order to consider updated information regarding the effects of the criteria pollutants on human health and the environment. On July 18, 1997, EPA promulgated a revised ozone NAAQS, referred to as the 1997 ozone NAAQS, of 0.08 ppm averaged over eight hours. 62 FR 38855. This 8-hour ozone NAAQS was determined to be more protective of public health than the previous 1979 1-hour ozone NAAQS. In 2008, EPA

strengthened the 8-hour ozone NAAQS from 0.08 to 0.075 ppm. The 0.075 ppm standard is referred to as the 2008 ozone NAAQS. *See* 73 FR 16436 (March 27, 2008).

On May 21, 2012 and June 11, 2012, EPA designated nonattainment areas for the 2008 ozone NAAQS. 77 FR 30088 and 77 FR 34221. Effective July 20, 2012, the Washington, DC-MD-VA area was designated as marginal nonattainment for the 2008 ozone NAAQS. The Virginia portion of the Washington, DC-MD-VA nonattainment area is comprised of Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City. *See* 40 CFR 81.347.

Section 182 of the CAA identifies additional plan submissions and requirements for ozone nonattainment areas. Specifically, section 182(a)(3)(B) of the CAA requires that states develop and submit, as a revision to their SIP, rules which establish annual reporting requirements for certain stationary sources. Sources that are within marginal or above ozone nonattainment areas must annually report the actual emissions of NO_x and VOC to the state. However, states may waive sources that emit under 25 tpy of NO_x and VOC if the state provides an inventory of emissions from such class or category of sources as required by CAA sections 172 and 182. *See* CAA section 182(a)(3)(B)(ii).

Additionally, portions of Virginia are included in the ozone transport region (OTR) established by Congress in section 184 of the CAA. The OTR is comprised of the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, and the Consolidated Metropolitan Statistical Area that includes the District of Columbia and portions of Virginia. The areas designated as in the Virginia portion of the OTR are as follows: Arlington County, Fairfax County, Loudoun County, Prince William County,

Stafford County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City.¹

Pursuant to section 184(b)(2), any stationary source located in the OTR that emits or has the potential to emit at least 50 tpy of VOC shall be considered a major stationary source and subject to the requirements which would be applicable to major stationary sources if the area was classified as a moderate nonattainment area. *See* CAA section 184. Thus, states within the OTR are subject to plan (or SIP) requirements in CAA section 182(b) applicable to moderate nonattainment areas. Also, section 182(f)(1) of the CAA requires that the plan provisions required for major stationary sources of VOC also apply to major stationary sources of NO_x for states with ozone nonattainment areas. A major stationary source of NO_x is defined as a stationary facility or source of air pollutants which directly emits, or has the potential to emit, 100 tpy or more of NO_x. *See* CAA section 302(j).

In summary, sources located within the portions of Virginia included in the OTR, including areas designated as attainment for the 2008 ozone NAAQS, that emit more than 50 tpy of VOC or 100 tpy of NO_x are considered major sources and are subject to the same requirements as major stationary sources located in moderate or above nonattainment areas. These requirements include the emissions statement requirements of CAA section 182(a)(3)(B). *See* CAA section 182(f) and 184(b)(2). Sources located in designated marginal or above nonattainment areas must also submit an emissions statement as required by CAA section 182(a)(3)(B). As stated previously, states may waive sources that emit less than the 25 tpy of NO_x and 25 tpy of VOC threshold if the state provides an inventory of emissions from such class or category of sources

¹ *See*, e.g. “Approval and Promulgation of Air Quality Implementation Plans; Virginia; NSR in the Ozone Transport Region”, 71 FR 39570 (July 13, 2006) and 71 FR 890 (January 6, 2006).

as required by CAA sections 172 and 182. *See* CAA section 182(a)(3)(B)(ii). States are required by section 182(a)(3)(B) of the CAA to submit, for approval into the state's SIP, rules requiring the sources described above to provide annual statements showing their actual emissions of NO_x and VOC to the state.

The EPA published guidance on source emissions statements in a July 1992 memorandum titled, "Guidance on the Implementation of an Emission Statement Program" and in a March 14, 2006 memorandum titled, "Emission Statement Requirements Under 8-hour Ozone NAAQS Implementation" (2006 memorandum). In addition, on March 6, 2015, EPA issued a final rule addressing a range of nonattainment area SIP requirements for the 2008 ozone NAAQS, including the emissions statement requirements of CAA section 182(a)(3)(B) (2015 final rule). 80 FR 12264. The 2006 memorandum clarified that the source emissions statement requirement of CAA section 182(a)(3)(B) was applicable to all areas designated nonattainment for the 1997 ozone NAAQS and classified as marginal or above under subpart 2, part D, title I of the CAA. Per EPA's 2015 final rule, the source emissions statement requirement also applies to all areas designated nonattainment for the 2008 ozone NAAQS.

According to EPA's 2015 final rule, most areas that are required to have an emissions statement program for the 2008 ozone NAAQS already have one in place due to a nonattainment designation for an earlier ozone NAAQS. EPA's 2015 final rule states that, "If an area has a previously approved emissions statement rule in force for the 1997 ozone NAAQS or the 1-hour ozone NAAQS that covers all portions of the nonattainment area for the 2008 ozone NAAQS, such rule should be sufficient for purposes of the emissions statement requirement for the 2008 ozone NAAQS." In cases where an existing emissions statement rule is still adequate to meet

the emissions statement requirement under the 2008 ozone NAAQS, states may provide the rationale for that determination to EPA in a written statement for approval into the SIP to meet the requirements of CAA section 182(a)(3)(B). In this statement, states should identify how the emissions statement requirements of CAA section 182(a)(3)(B) are met by their existing emissions statement rule.

In summary, Virginia is required to submit, as a formal revision to its SIP, a statement certifying that Virginia's existing emissions statement program satisfies the requirements of CAA section 182(a)(3)(B) and covers the Washington, DC-MD-VA nonattainment area for the 2008 ozone NAAQS.²

II. Summary of SIP Revision and EPA Analysis

On August 1, 2017, the Commonwealth of Virginia, through the Virginia Department of Environmental Quality (VADEQ), submitted, as a formal revision to its SIP, a statement certifying that Virginia's existing SIP-approved emissions statement program covers the Virginia portion of the Washington, DC-MD-VA nonattainment area for the 2008 ozone NAAQS and is at least as stringent as the requirements of CAA section 182(a)(3)(B). In its submittal, Virginia states that the emissions statement requirements of CAA section 182(a)(3)(B) are contained under 9VAC5-20-160 (Registration) of the Virginia Administrative Code and are SIP-approved under 40 CFR 52.2420(c). According to Virginia, these provisions mandate that facilities emitting more than 25 tpy of NO_x or VOC must submit emission statements to Virginia while those emitting less than 25 tpy must comply with inventory requirements.

The provisions under 9VAC5-20-160 that implement Virginia's emissions statement program

² EPA did not require Virginia or other states to certify that its existing SIP-approved emissions statement program continued to satisfy CAA requirements for areas in the OTR to have an emissions statement program.

were approved into the Virginia SIP on May 2, 1995 (60 FR 21451).³ These provisions require the owner of any stationary source that emits 25 tpy or more of VOC or NO_x and is located in an emissions control area designated under 9VAC5-20-206 (Volatile Organic Compound and Nitrogen Oxides Emissions Control Areas) to submit an emissions statement to the Virginia State Air Pollution Control Board by April 15 of each year for the emissions discharged during the previous calendar year.⁴ Emissions statements are required to be prepared and submitted in accordance with 9VAC5-20-121 (Air Quality Program Policies and Procedures), which references Virginia's January 1, 1993 document AQP- 8 titled, "Procedures for Preparing and Submitting Emission Statements for Stationary Sources." The provisions under 9VAC5-20-121 were also approved into the Virginia SIP on May 2, 1995 (60 FR 21451).

EPA's review of the Commonwealth of Virginia's submittal finds that Virginia's existing, SIP-approved emissions statement program under 9VAC5-20-160 satisfies the requirements of CAA section 182(a)(3)(B) for emission statements for sources located in marginal or above nonattainment areas including such sources in the Virginia portion of the Washington, DC-MD-VA nonattainment area for the 2008 ozone NAAQS. EPA notes 9VAC5-20-160 also requires

³ The provisions under 9VAC5-20-160 were derived from VR120-02-31. EPA's May 2, 1995 direct final rulemaking (DFR) approved a SIP revision submitted by the Commonwealth of Virginia requesting the addition of provisions under VR120-02-31 paragraph B, which established Virginia's emissions statement program, and Appendix S (Air Quality Program Policies and Procedures), which described the procedure for preparing and submitting emissions statements for stationary sources, to the Virginia SIP. *See* 60 FR 21451. On March 6, 1992, the Virginia State Assembly enacted Chapter 216 – an act to amend Section 9- 77.7, Code of Virginia, which authorized reorganization of the Virginia Administrative Code, including reorganization of the air pollution control regulations, effective July 1, 1992. Beginning April 17, 1995, Virginia began publication of its air quality control regulations in the new format. On April 21, 2000, EPA approved a SIP revision from Virginia requesting the reorganization and renumbering of the Virginia SIP to match the recodification of Virginia's air pollution control regulations under the Virginia Administrative Code. *See* 65 FR 21315. As a result, the SIP-approved provisions under VR120-02-31 and Appendix S are now under 9VAC5-20-160 and 9VAC5-20-121, respectively.

⁴ The emissions control areas defined under 9VAC5-20-206 include the Northern Virginia Emissions Control Area, the Fredericksburg Emissions Control Area, the Richmond Emissions Control Area, the Hampton Roads Emissions Control Area, and the Western Virginia Emissions Control Area. The Northern Virginia Emissions Control Area consists of the localities of Arlington County, Fairfax County, Loudoun County, Prince William County, Stafford County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City.

sources located in portions of Virginia included in the OTR to submit required emission statements in accordance with CAA section 184 (OTR requirements) and 182 (plan submissions and requirements for ozone nonattainment areas). Pursuant to CAA sections 182 and 184, Virginia is required to have an emissions statement program for sources located in marginal or above nonattainment areas and the portions of Virginia included in the OTR. EPA finds the provisions under 9VAC5-20-160 satisfy these requirements of CAA sections 182 and 184 because they apply to the Northern Virginia Emissions Control Area, which includes the Virginia localities within the Virginia portion of the Washington, DC-MD-VA nonattainment area for the 2008 ozone NAAQS (i.e. Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City), and the portions of Virginia included in the OTR (i.e. Arlington County, Fairfax County, Loudoun County, Prince William County, Stafford County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City). EPA also finds Virginia's emissions thresholds for sources that are required to submit an emissions statement meet the requirements of CAA sections 182 and 184. As stated above, 9VAC5-20-160 requires the owner of any stationary source located in an emissions control area that emits 25 tpy or more of VOC or NO_x to annually submit an emissions statement. This 25 tpy threshold is equivalent to the threshold required by CAA section 182. As previously mentioned, per CAA section 182(a)(3)(B)(ii), states may waive sources that emit less than 25 tpy of NO_x or VOC if the state provides an inventory of emissions from such class or category of sources as required by CAA sections 172 and 182. Virginia does provide emissions inventories for nonattainment areas as required by CAA section 172(c)(3).⁵ Therefore, EPA has determined that 9VAC5-20-160, which is currently

⁵ See, e.g. "Approval and Promulgation of Air Quality Implementation Plans; District of Columbia, Maryland, and Virginia; 2011 Base Year Emissions Inventories for the Washington DC-MD-VA Nonattainment Area for the 2008

in the Virginia SIP, is appropriate to address the emissions statement requirements in section 182(a)(3)(B) for the 2008 ozone NAAQS.

On March 12, 2018 (83 FR 10652), EPA published a notice of proposed rulemaking (NPR) for the Commonwealth of Virginia. In the NPR, EPA found the Commonwealth's August 1, 2017 emissions statement program certification to be approvable under CAA section 182(a)(3)(B) and proposed to approve it as a revision to the Virginia SIP.

EPA received public comments on our March 12, 2018 proposal to approve Virginia's emissions statement certification for the 2008 ozone NAAQS. All of the submitted comments were either supportive of or not specific to this action and thus are not addressed here.

III. Final Action

EPA is approving the Commonwealth's August 1, 2017 emissions statement program certification as a revision to the Virginia SIP.

IV. General Information Pertaining to SIP Submittals from the Commonwealth of Virginia

In 1995, Virginia adopted legislation that provides, subject to certain conditions, for an environmental assessment (audit) "privilege" for voluntary compliance evaluations performed by a regulated entity. The legislation further addresses the relative burden of proof for parties either asserting the privilege or seeking disclosure of documents for which the privilege is claimed.

Virginia's legislation also provides, subject to certain conditions, for a penalty waiver for violations of environmental laws when a regulated entity discovers such violations pursuant to a voluntary compliance evaluation and voluntarily discloses such violations to the Commonwealth

Ozone National Ambient Air Quality Standard," 80 FR 27255 (May 13, 2015).

and takes prompt and appropriate measures to remedy the violations. Virginia's Voluntary Environmental Assessment Privilege Law, Va. Code Sec. 10.1-1198, provides a privilege that protects from disclosure documents and information about the content of those documents that are the product of a voluntary environmental assessment. The Privilege Law does not extend to documents or information that: (1) Are generated or developed before the commencement of a voluntary environmental assessment; (2) are prepared independently of the assessment process; (3) demonstrate a clear, imminent and substantial danger to the public health or environment; or (4) are required by law.

On January 12, 1998, the Commonwealth of Virginia Office of the Attorney General provided a legal opinion that states that the Privilege law, Va. Code Sec. 10.1-1198, precludes granting a privilege to documents and information "required by law," including documents and information "required by federal law to maintain program delegation, authorization or approval," since Virginia must "enforce federally authorized environmental programs in a manner that is no less stringent than their federal counterparts. . . ." The opinion concludes that "[r]egarding § 10.1-1198, therefore, documents or other information needed for civil or criminal enforcement under one of these programs could not be privileged because such documents and information are essential to pursuing enforcement in a manner required by federal law to maintain program delegation, authorization or approval."

Virginia's Immunity law, Va. Code Sec. 10.1-1199, provides that "[t]o the extent consistent with requirements imposed by federal law," any person making a voluntary disclosure of information to a state agency regarding a violation of an environmental statute, regulation, permit, or administrative order is granted immunity from administrative or civil penalty. The Attorney

General's January 12, 1998 opinion states that the quoted language renders this statute inapplicable to enforcement of any federally authorized programs, since “no immunity could be afforded from administrative, civil, or criminal penalties because granting such immunity would not be consistent with federal law, which is one of the criteria for immunity.”

Therefore, EPA has determined that Virginia’s Privilege and Immunity statutes will not preclude the Commonwealth from enforcing its program consistent with the federal requirements. In any event, because EPA has also determined that a state audit privilege and immunity law can affect only state enforcement and cannot have any impact on federal enforcement authorities, EPA may at any time invoke its authority under the CAA, including, for example, sections 113, 167, 205, 211 or 213, to enforce the requirements or prohibitions of the state plan, independently of any state enforcement effort. In addition, citizen enforcement under section 304 of the CAA is likewise unaffected by this, or any, state audit privilege or immunity law.

V. Statutory and Executive Order Reviews

A. General Requirements

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the CAA and applicable federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA’s role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this action merely approves state law as meeting federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this action:

- is not a “significant regulatory action” subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
- is not an Executive Order 13771 (82 FR 9339, February 2, 2017) regulatory action because SIP approvals are exempted under Executive Order 12866.
- does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 et seq.);
- is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.);
- does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and

- does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

The SIP is not approved to apply on any Indian reservation land as defined in 18 U.S.C. 1151 or in any other area where EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications and will not impose substantial direct costs on tribal governments or preempt tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

B. Submission to Congress and the Comptroller General

The Congressional Review Act, 5 U.S.C. 801 *et seq.*, as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this action and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the **Federal Register**. A major rule cannot take effect until 60 days after it is published in the **Federal Register**. This action is not a “major rule” as defined by 5 U.S.C. 804(2).

C. Petitions for Judicial Review

Under section 307(b)(1) of the CAA, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by **[Insert date 60 days after date of publication in the Federal Register]**. Filing a petition for reconsideration by the

Administrator of this final rule does not affect the finality of this action for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not postpone the effectiveness of such rule or action. This action approving Virginia's certification that its existing SIP-approved emissions statement program under 9VAC5-20-160 satisfies the requirements of CAA section 182(a)(3)(B) for the 2008 ozone NAAQS may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2).)

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Nitrogen dioxide, Ozone, Reporting and recordkeeping requirements, Volatile organic compounds.

Dated: May 15, 2018.

Cosmo Servidio,
Regional Administrator,
Region III.

40 CFR part 52 is amended as follows:

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401 et seq.

Subpart VV—Virginia

2. In § 52.2420, the table in paragraph (e)(1) is amended by adding the entry “Emissions Statement Rule Certification for the 2008 Ozone NAAQS” at the end of the table to read as follows:

§ 52.2420 Identification of plan.

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(e) * * *

(1) * * *

Name of non-regulatory SIP revision	Applicable geographic area	State submittal date	EPA approval date	Additional explanation
* * * *	* * *			
Emissions Statement Rule Certification for the 2008 Ozone NAAQS	Virginia portion of the Washington, DC-MD-VA nonattainment area for the 2008 ozone NAAQS (i.e. Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City) as well as the portions of Virginia included in the Ozone Transport Region (OTR) (ie. Arlington County, Fairfax County, Loudoun County, Prince William County,	8/01/17	<u>[Insert date of publication in the Federal Register]</u> <u>[Insert Federal Register citation]</u>	Certification that Virginia’s previously SIP-approved regulations at 9VAC5-20-160 meet the emissions statement requirements of CAA section 182(a)(3)(B) for the 2008 ozone NAAQS.

Name of non-regulatory SIP revision	Applicable geographic area	State submittal date	EPA approval date	Additional explanation
	Stafford County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City)			

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[FR Doc. 2018-11570 Filed: 5/31/2018 8:45 am; Publication Date: 6/1/2018]